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EXAMINER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
Office Action Summary	10/814,954	COAD ET AL.
	Examiner	Art Unit	
	SIEGFRIED E. CHENCINSKI	3695	

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS,
WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on <u>07 January 2010</u>.

2a) ☒ This action is **FINAL**. 2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
   closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) <u>1-11</u> is/are pending in the application.

   4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) <u>1-11</u> is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

   Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a) ☐ All b) ☐ Some * c) ☐ None of:

   1. ☐ Certified copies of the priority documents have been received.

   2. ☐ Certified copies of the priority documents have been received in Application No. _____.

   3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage
      application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
   Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
   Paper No(s)/Mail Date. _____

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

Status

1.   Claims 1-11 are pending.

Claim 1 has been amended.

The rejections under 35 USC 101 and 112 have been withdrawn because the
amendments to claim 1 has brought the claim into compliance with these statutes.

Applicant Admitted Prior Art

2.   The following limitations are Applicant Admitted Prior Art (AAPA) based on the
record:

In claim 1 - "protecting a position"

Claim 2. a national best bid/offer price for the contracts

Claim 4. placing a facilitation order on the at least one automated exchange if an order
is placed for more than a predetermined number of contracts.

Claim 5. A method in accordance with claim 4 further including the step of placing a
contra order against the order on the at least one automated exchange.

Claim 9. automatically hedging an order.

3.   Applicant is advised to bring the claims into statutory compliance but is advised
not to add new matter to the claims.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all
obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

4.　　**Claims 1, 3, 6-8, 10 and 11 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Gutterman et al.(US Patent 5,297,031, hereafter Gutterman) in view of Patterson, Jr. et al. (US Patent 5,774,877, hereafter Patterson) and Slone (PreGrant Publication 2002/0128958 A1).

Re. Claim 1, Gutterman discloses "a broker workstation for managing orders in a market for trading commodities, securities, securities options, futures contracts and futures options and other items including: a device for selectively displaying order information; a computer for receiving the orders and for controlling the displaying device; and a device for entering the orders into the computer; wherein the displaying device comprises a device for displaying selected order information about each incoming order, a device for displaying a representation of an order deck and a device for displaying a total of market orders. In another aspect of the invention, there is provided in a workstation having a computer, a device for entering order information into the computer and a device for displaying the order information entered, a method for managing orders in a market for trading commodities, securities, securities options, futures contracts and futures options and the like comprising the steps of: selectively displaying order information incoming to the workstation; accepting or rejecting orders corresponding to the incoming order information displayed; displaying accepted order information in a representation of a broker deck; and selectively displaying a total of orders at the market price." (Abstract). Gutterman discloses manual trading execution through the open pit open outcry method (Col. 1, 32-37). Gutterman also discloses that firms which are members of exchanges are the intermediaries who bring trading orders to the exchange appropriate for executing the trade of a given security (Col. 1, 45-47). Gutterman also discloses an automated online method for a transaction interface for processing commodities and financial securities, futures contracts and futures options trading orders through a broker intermediary system (Col. 5, l. 59 – Col. 6, l. 15). As such, Gutterman discloses a computer-implemented method for delivering an order to a plurality of exchanges comprising automated exchanges and non-automated exchanges, said method comprising: :

- Receiving, at a client work station, a client order comprising one or more contracts (Col. 5, l. 64; Col. 6, ll. 42-50);
- cancel/replace messages are not handled by electronically stored routing rules (Gutterman discloses this step to be handled by a human, the broker, meaning that the automation rules do not handle cancel/replace messages (Col. 4, ll. 35-43; Col. 6, ll. 51-55).
- electronically stored routing rules are suggested (Col. 6, ll. 33-35);
- automatically delivering, by the facilitation server, the order for execution (Fig. 3a);

Gutterman does not explicitly disclose replace messages. However, Patterson discloses cancel/replace messages (Col. 20, bottom in table; Col. 26, ll. 59-67).

Gutterman does not explicitly disclose automatically selecting, by a facilitation server, one of the plurality of exchanges for execution of the client order based on the one or more contracts in the order and based on electronically stored routing rules, wherein the electronically stored routing rules translate messages between a messaging layer and a message protocol. However, Slone discloses automatically selecting, by a facilitation server, one of a plurality of exchanges for execution of the client order based on the one or more contracts in the order and based on electronically stored routing rules (p. 6, [0068], [0070]), wherein the electronically stored routing rules translate messages between a messaging layer and a message protocol (p. 9, [0106]).

Gutterman does not explicitly disclose wherein an order sent to a selected automated exchange is further automatically processed by the facilities server, said order to protect a position. However, Slone discloses wherein an order delivered to a selected automated exchange is further automatically processed by the facilities server ([0068], [0074]), said order to protect a position ([0050], [0074]).

Gutterman does not explicitly disclose wherein an order delivered to a non-automated exchange is automatically monitored by the facilitation server and an electronic copy of the order is generated and stored in a database. However, Slone discloses wherein a non-automated exchange selected for order execution is automatically monitored by the

facilitation server (This is inherent in Slone because Slone discloses that any exchange is a candidate for order execution without limitation [0068], [0074]. Storing an electronic copy of the order is also inherent in Slone – e.g. p. 2, [0014]-l. 2).

Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosure of Gutterman, Patterson and Slone with the practitioner's own knowledge in order to have developed a method for providing a transaction interface to a plurality of exchanges, motivated by a desire to apply computer-based techniques for managing orders placed in a physical market for trading instruments such as stocks, bonds, stock options, futures options and futures contracts on commodities including agricultural products, financial instruments, stock market indices and the like (Gutterman, Col. 1, ll. 6-11).

Regarding dependent claims 3, 6-8, 10 and 11,

Claims 3, 6-8, 10 and 11 would have been obvious to the ordinary practitioner in Gutterman, Patterson and Slone's disclosures:

Claim 3. selecting at least one automated exchange (Slone, [0068], [0074], [0106]).

Claim 6. creating an instrument evidencing the transaction.

Claim 7. providing a monitoring system to monitor the status of the order (Slone, [0068], [0074]).

Claim 8. updating the monitoring system as each step occurs (inherent in Slone, [0068], [0074]).

Claim 10. recording the execution of each step of the transaction (inherent in Gutterman and Slone).

Claim 11. recording the execution of each step of the transaction in a database (These steps are inherent in the processes disclosed by Gutterman, Patterson and Slone).

5.   Claims 2, 4, 5 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gutterman, Patterson and Slone as applied to claim 1 above, and further in view of in view of Applicant Admitted Prior Art (hereafter AAPA).

Re. claims 2, 4, 5 and 9, neither Gutterman, Patterson nor Slone explicitly disclose the following limitations:

Claim 2. a national best bid/offer price for the contracts

Claim 4. placing a facilitation order on an automated exchange (Slone, [0068], [0074], [0106]).

Claim 5. the step of placing a contra order against the order on the automated exchange.

Claim 9. automatically hedging an order.

However, dependent claims 2, 4, 5 and 9 are disclosed by AAPA.

Therefore, re. claims 2, 4, 5 and 9, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosure of Gutterman, Patterson, Slone and AAPA with the practitioner's own knowledge in order to have developed a method for providing a transaction interface to a plurality of exchanges, motivated by a desire to computer-based techniques for managing orders placed in a physical market for trading instruments such as stocks, bonds, stock options, futures options and futures contracts on commodities including agricultural products, financial instruments, stock market indices and the like (Gutterman, Col. 1, ll. 6-11).

Response to Arguments

6.   Applicant's arguments filed January 7, 2010 regarding claims 1-11 have been fully considered but they are not persuasive.

ARGUMENT A: The amendments to claim 1 comply with 35 USC 101 (p. 5, ll. 7-15).

RESPONSE:

The rejection under 35 USC 101 has been withdrawn.

ARGUMENT B: The amendments to claim 1 comply with 35 USC 112-2nd paragraph (p. 5, l. 16 – p. 6, l. 8)..

RESPONSE:

The rejection under 35 USC 112-2nd paragraph has been withdrawn.

ARGUMENT C: The Rejections of claims 1, 3, 6-8, 10 and 11 have failed to present a proper case of *prima facie* obviousness (p. 7, ll. 7-18; p. 7. l. 6 —p. 10, l. 2). Supporting Argument – "the combined teachings of Gutterman et al., Patterson, Jr. et al. and Slone specifically fail to obviate the limitation of automatically selecting, by a facilitation server, an automated exchange or a non-automated exchange from the plurality of exchanges for execution of the client order."(p. 8, ll. 8-11; p. 8, l. 8 - p. 9, l. 12; p. 9, 13-17, 18-22).

RESPONSE:

1) The non-final rejection mailed February 23, 2010 and he above rejection state the following:

(a) "Gutterman does not explicitly disclose replace messages. However, Patterson discloses cancel/replace messages (Col. 20, bottom in table; Col. 26, ll. 59-67). Gutterman does not explicitly disclose automatically selecting, by a facilitation server, one of the plurality of exchanges for execution of the client order based on the one or more contracts in the order and based on electronically stored routing rules, wherein the electronically stored routing rules translate messages between a messaging layer and a message protocol. However, Slone discloses automatically selecting, by a facilitation server, one of a plurality of exchanges for execution of the client order based on the one or more contracts in the order and based on electronically stored routing rules (p. 6, [0068], [0070]), wherein the electronically stored routing rules translate messages between a messaging layer and a message protocol (p. 9, [0106]).

Gutterman does not explicitly disclose wherein an order sent to a selected automated exchange is further automatically processed by the facilities server, said order to protect a position. However, Slone discloses wherein an order delivered to a selected automated exchange is further automatically processed by the facilities server ([0068], [0074]), said order to protect a position ([0050], [0074]).

Gutterman does not explicitly disclose wherein an order delivered to a non-automated exchange is automatically monitored by the facilitation server and an electronic copy of the order is generated and stored in a database. However, Slone discloses wherein a

non-automated exchange selected for order execution is automatically monitored by the facilitation server (This is inherent in Slone because Slone discloses that any exchange is a candidate for order execution without limitation [0068], [0074]. Storing an electronic copy of the order is also inherent in Slone – e.g. p. 2, [0014]-I. 2).".

(b) Applicant's argument quotes selected passages fro mteh KSRF decision.

Here is a more comprehensive review of the KSR guidelines for a proper prima facie case of obviousness:

Guidelines for making a Proper *Prima Facie* Case of Obviousness according to the US Supreme Court's *KSR* Decision

a)   **BASES FOR OBVIOUS REJECTION**

(1)   Begin with the Graham vs Deere Analysis
Provide Facts.
   • A disclosure in a non-analogous art which solves the problem is valid prior art
All elements do not have to be factually demonstrated.

(2)   Valid Non-Factual Analysis – Must explain the differences between the prior art and what one of ordinary skill would have seen as obvious <u>after consideration of the facts</u> according to the following considerations:

   • Common Sense
   • Obvious to Try
   • Expected/Predictable Results
   • Expectation of Success
   • Design incentives or market forces would have made this improvement obvious
   • The state of the art would have made the practitioner recognize the opportunity for improving upon the prior art.
   • In re Khan factors – obvious or suggested to one of ordinary skill based on his knowledge – the "inferences and creative steps one of ordinary skill would employ"

(3).   ORDINARY SKILL
An examiner may use their personal knowledge to describe the knowledge of one of ordinary skill and what such one would have seen as obvious from the evidence. If the examiner does not explicitly define the one of ordinary skill then the one of ordinary skill is defined by the relevant prior.

(4)   FACTORS PROHIBITING A PRIMA FACIE CASE OF OBVIOUSNESS - i.e. ALLOWABILTY

- Unexpected/Unpredictable Results
- Technological barriers to satisfactory combination.
- Factors in the above rationales do not hold up to challenge

b)   *In re Kahn*

The guidelines provided by *In re Kahn* as referenced in the US Supreme Court's
decision of April 2007 in the case known as KSR, are as follows:

The Court noted that "[t]o facilitate review, this analysis should be made explicit. *Id.*
(citing *In re Kahn,* 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006))
("[R]ejections on obviousness grounds cannot be sustained by mere conclusory
statements; instead, there must be some articulated reasoning with some rational
underpinning to support the legal conclusion of obviousness"). However, "the analysis
need not seek out precise teachings directed to the specific subject matter of the
challenged claim, for a court can take account of the inferences and creative steps that
a person of ordinary skill in the art would employ." *Id.* at 1741, 82 USPQ2d at 1396.

In the Instant Case, the examiner the examiner has made a proper case of *prima
facie* case of obviousness by first understanding the knowledge of the ordinary
practitioner. The ordinary practitioner did not come to the invention wit ha blank slate.
Instead, such a practitioner would have been most likely a team with basis knowledge of
the operations of securities markets such as stock markets, and with the knowledge of
systems analysis, computer programming, computer hardware and computer networks.
In some cases this can be one individual who has all of that knowledge. This
understanding puts life into the passage quoted above and by Applicant of the *In re
Kahn* quotation in KSR. This means that the ordinary practitioner would have seen the
combinations of the narrow disclosures and suggestions cited by teh examiner as
obvious suggestions based on the following Valid Non-Factual Analysis – Must explain
the differences between the prior art and what one of ordinary skill would have seen as
obvious <u>after consideration of the facts</u> according to the following considerations:

- Common Sense
- Obvious to Try

- Expected/Predictable Results

- Expectation of Success

- Design incentives or market forces would have made this improvement obvious

- The state of the art would have made the practitioner recognize the opportunity for improving upon the prior art.

- In re Khan factors – obvious or suggested to one of ordinary skill based on his knowledge – the "inferences and creative steps one of ordinary skill would employ"

In this case, the following factors would have been operating in the practitioner's mind to create his recognition of the obviousness: Common Sense, Obvious to Try and Expected/Predictable Results. These factors would have given life to the *In re Kahn* above guideline of ""the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *Id.* at 1741, 82 USPQ2d at 1396."

IN CONCLUSION: The examiner believes that he has made a proper prima facie case of obviousness in the rejection of claims 1-13 according the above KSR guidelines. It is important to point out the emphasis made in KSR of their quotation of the above language in *In re Kahn*.. This language emphasizes the importance of considering the phrase "for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ". The examiner has highlighted this consideration in the rationale of every rejection in making a proper prima facie case of obviousness.

ARGUMENT D: The rejection of dependent claims 2, 4, 5 and 9 are traversed "This rejection is traversed. For the reasons discussed *supra,* Applicants submit that the combined teachings of Gutterman et al., Patterson et al. and Slone fail to obviate the present claims. The Examiner relies upon AAPA solely for allegedly teaching the

limitations of dependent claims 2, 4, 5 and 9. Therefore, Applicants submit that AAPA

fails to cure the deficiencies of the cited references as described above." (p. 8, ll. 3-13).

RESPONSE:

1) Applicant relies on the above argument re. the above "automatically selecting '' "

argument for claims 1, 3, 6-8, 10 and 11.

2) Applicant is referred to the response to Argument C above.

Conclusion

7.   **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time

policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later

than SIX MONTHS from the mailing date of this final action.

        Any inquiry concerning this communication or earlier communications from the

Examiner should be directed to Siegfried Chencinski whose telephone number is

(571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to

6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's

supervisor, Charles Kyle, can be reached at (571) 272-6746.

        Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

      Commissioner of Patents and Trademarks, Washington D.C. 20231

            or Faxed to (571*)273-8300* [Official communications; including After Final

            communications labeled "Box AF"]

            or Faxed to *(571) 273-6792* [Informal/Draft communications, labeled

            "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above

USPTO web site in Alexandria, VA.

SEC

Art Unit 3695
July 17, 2010

/Charles R. Kyle/
Supervisory Patent Examiner, Art Unit 3695